October 27, 2021

Barings Participation Investors Reports Preliminary Third Quarter 2021 Results

CHARLOTTE, N.C., Oct. 27, 2021 /PRNewswire/ -- The Board of Trustees of Barings Participation Investors (NYSE: MPV) (the "Trust") met on October 27, 2021 and would like to report its preliminary financial results for the third quarter of 2021.

Financial Highlights[(1)]

	Three Months Ended September 30, 2021		Three Months Ended June 30, 2021	
	Total Amount	**Per Share**[(2)]	**Total Amount**	**Per Share**[(2)]
Net investment income	$ 2,079,256	$ 0.20	$ 2,109,084	$ 0.20
Net realized gains / (losses)	$ 5,147,354	$ 0.49	$ 1,161,263	$ 0.11
Net unrealized appreciation	$ 2,849,942	$ 0.27	$ 2,932,314	$ 0.28
Net increase in net assets resulting from operations	$ 10,076,552	$ 0.95	$ 6,202,662	$ 0.59
Total net assets (equity)	$ 162,398,423	$ 15.32	$ 154,442,288	$ 14.57

(1) All figures for 2021 are unaudited
(2) Based on shares outstanding at the end of the period of 10,601,700

Key Highlights:

Commenting on the quarter, Christina Emery, President, stated, "During the third quarter, Barings continued to drive origination flow into high quality, 1st lien senior secured middle-market investments. Realizations increased due to the active M&A market. Additionally, our investment portfolio experienced further unrealized appreciation tied to tightening market spreads as well as improved financial performance at our underlying portfolio companies."

During the three months ended September 30, 2021, the Trust reported total investment income of $2.8 million, net investment income of $2.1 million, or $0.20 per share, and a net increase in net assets resulting from operations of $10.1 million, or $0.95 per share.

Net asset value ("NAV") per share as of September 30, 2021 was $15.32, as compared to $14.57 as of June 30, 2021. The increase in NAV per share was attributable to net unrealized appreciation on the Trust's investment portfolio of approximately $0.27 per share, net investment income of $0.20 per share and net realized gains of $0.49 per share, partially offset by the quarterly dividend of $0.20 per share.

On October 13, 2021, the Board of Trustees declared a quarterly dividend of $0.20 per share payable on November 19, 2021 to shareholders of record on November 8, 2021.

Recent Portfolio Activity

During the three months ended September 30, 2021, the Trust made seven new investments totaling $8.5 million and nine add-on investments in existing portfolio companies totaling $3.3 million. During the three months ended September 30, 2021, the Trust had two 1st lien senior secured loans repaid at par totaling $3.3 million, two 2nd lien loans repaid at par totaling $3.4 million, three mezzanine debt investments repaid at par totaling $2.7 million and realized five equity investments totaling $6.9 million.

Liquidity and Capitalization

As of September 30, 2021, the Trust had cash of $11.6 million, commercial paper investments of $6.0 million, and $15.0 million of borrowings outstanding. The Trust had unfunded commitments of $5.0 million as of September 30, 2021.

On July 22, 2021, the Trust entered into a revolving credit agreement with MassMutual to provide up to an additional $15 million of borrowings. As of September 30, 2021, the Trust has zero outstanding borrowings on the new credit facility.

Net Capital Gains

The Trust realized net capital gains of $5,147,354 or $0.49 per share during the quarter ended September 30, 2021. During the quarter ended June 30, 2021, the Trust realized net capital gains of $1,161,263 or $0.11 per share.

About Barings Participation Investors

Barings Participation Investors is a closed-end management investment company advised by Barings LLC. Its shares are traded on the New York Stock Exchange under the trading symbol ("MPV").

About Barings LLC

Barings is a $387+ billion* global investment manager sourcing differentiated opportunities and building long-term portfolios across public and private fixed income, real estate, and specialist equity markets. With investment professionals based in North America, Europe and Asia Pacific, the firm, a subsidiary of MassMutual, aims to serve its clients, communities, and employees, and is committed to sustainable practices and responsible investment. Learn more at www.barings.com.

*Assets under management as of September 30, 2021

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Per share amounts are rounded to the nearest cent.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

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